

Rural Utilities Service, USDA

§ 1786.151

SELECTED INTEREST RATES—Continued

[Yields in percent per annum]

Instruments	1991 Jan. 28	1991 Jan. 29	1991 Jan. 30	1991 Jan. 31	1991 Feb. 1	This week	Last week	1991 Jan.
Composite Over 10 years (long-term) <sup>14</sup> .....	8.29	8.26	8.29	8.27	8.15	8.25	8.28	8.33
Corporate bonds Moody's Sea- soned								
AAA .....	9.03	9.01	9.00	8.99	8.96	9.00	9.05	9.04
BAA .....	10.43	10.37	10.35	10.33	10.24	10.34	10.44	10.45
A-Utility <sup>15</sup> .....					9.65	9.65	9.80	9.83
State and local bonds <sup>16</sup> .....				7.00		7.00	7.06	7.08
Conventional mort- gages <sup>17</sup> .....					9.56	9.56	9.61	9.64

Footnotes:

<sup>1</sup> The daily effective federal funds rate is a weighted average of rates on trades through N.Y. brokers.

<sup>2</sup> Weekly figures are averages of 7 calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.

<sup>3</sup> Annualized using a 360-day year or bank interest.

<sup>4</sup> Quoted on a discount basis.

<sup>5</sup> An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.

<sup>6</sup> An average of offering rates on paper directly placed by finance companies.

<sup>7</sup> Representative closing yields for acceptances of the highest rated money center banks.

<sup>8</sup> An average of dealer offering rates on nationally traded certificates of deposit.

<sup>9</sup> Bid rates for Eurodollar deposits at 11 a.m. London time.

<sup>10</sup> One of several base rates used by banks to price short-term business loans.

<sup>11</sup> Rate for the Federal Reserve Bank of New York.

<sup>12</sup> Auction date for daily data; weekly and monthly averages computed on an issue-date basis.

<sup>13</sup> Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.

<sup>14</sup> Unweighted average of rates on all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.

<sup>15</sup> Estimate of the yield on a recently offered, A-rated utility bond with a maturity of 30 years and call protection of 5 years; Friday quotations.

<sup>16</sup> Bond buyer Index, general obligation, 20 years to maturity, mixed quality; Thursday quotations.

<sup>17</sup> Contract interest rates on commitments for fixed-rate first mortgages. Source: FHLMC.

NOTE: Weekly and monthly figures are averages of business days unless otherwise noted.

Description of the Treasury Constant  
Maturity Series

Yields on Treasury securities at "constant maturity" are interpolated by the U.S. Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations reported by five leading U.S. Government securities dealers to the Federal Reserve Bank of New York. The constant maturity yield values are read from the yield curve at fixed maturities, currently 1, 2, 3, 5, 7, 10, and 30 years. This method provides a yield for a 10-year maturity, for example, even if no outstanding security has exactly 10 years remaining to maturity.

Subpart F—Discounted Prepay-  
ments on RUS Electric Loans

AUTHORITY: 7 U.S.C. 901 *et seq.*; Pub. L. 103-354, 108 Stat. 3178 (7 U.S.C. 6941 *et seq.*).

SOURCE: 59 FR 13620, Mar. 22, 1994, unless otherwise noted.

§ 1786.150 Purpose.

This subpart sets forth the policies and procedures of RUS whereby borrowers may prepay, with private financing or internally generated funds, outstanding RUS Notes evidencing electric loans at the Discounted present value of the RUS Notes, pursuant to the provisions of section 306(B) of the RE Act as amended by Public Law 102-428, 106 Stat. 2183, adopted October 21, 1992.

§ 1786.151 Definitions and rules of construction.

(a) *Definitions.* As used in this subpart:

*Administrator* means the Administrator of the Rural Utilities Service (RUS).

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*Borrower* means any organization which has an outstanding note(s) evidencing electric loans made by RUS, or has previously prepaid such notes under subparts C and E of this part.

*Business day* means any day on which both the RUS and the Federal Reserve Bank of New York are open for business.

*Construction Fund Account* means the Cash—Construction Fund—Trustee Account, maintained by the borrower pursuant to the terms of the outstanding RUS Loan Contract.

*Closing* shall mean one of the several contemplated closings of the prepayment of the Qualified Notes prescribed by the Prepayment agreement.

*Closing date* shall mean any business day identified as such by the Government in its preclosing notice delivered to the Company pursuant to § 1786.158.

*Closing request* shall mean a request by the borrower of the Government to schedule a closing for certain Qualified Notes on the date requested therein.

*Direct loan* means a loan made pursuant to section 4 of the RE Act.

*Discounted present value* shall have the meaning set forth in § 1786.153.

*Distribution borrower* means a borrower that sells electric power and energy at retail in rural areas.

*Electric loan* means a Direct loan or an Insured loan made for the purpose of furnishing electric energy to persons in rural areas.

*Final maturity* means the final date on which all outstanding principal and accrued interest on an electric loan is due and payable.

*Government* means the United States of America, acting through the Administrator of the Rural Utilities Service.

*Insured loan* means a loan made pursuant to Section 305 of the RE Act.

*Lien accommodation* means the sharing of the Government's (RUS's) lien on property, usually all property, covered by the lien of the RUS Mortgage.

*Loan guarantee* means a loan guarantee under Section 306 of the RE Act.

*Power supply borrower* means a borrower that sells or intends to sell electric power at wholesale to distribution or power supply borrowers pursuant to RUS wholesale power contracts.

*Preclosing notice* shall mean a notice delivered by the Government to the

borrower in response to a closing request, identifying the closing date, the Qualified Notes to be prepaid at such closing and documents to be delivered by the borrower to the Government prior to the closing date.

*Prepayment agreement* shall have the meaning set forth in § 1786.158.

*Qualified Notes* shall have the meaning set forth in § 1786.154.

*RE Act* means the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 *et seq.*).

*RUS* means the Rural Utilities Service, an agency of the United States Department of Agriculture.

*RUS Loan Contract* means the agreement, as amended, supplemented, or restated from time to time, between a borrower and RUS providing for loans or loan guarantees pursuant to the RE Act.

*RUS Mortgage* means collectively those mortgages and security agreements made by and among the borrower, the Government, and third parties, if any, securing indebtedness evidencing electric loans or loan guarantees made pursuant to the RE Act.

*Rural development loans* means loans or grants made pursuant to Rural development programs.

*Rural development programs* means loan or grant programs under the authority of the Administrator pursuant to sections 313, 501, and 502 of the RE Act.

*Supplemental lender* means a private lender whose loan to the borrower is secured by the RUS mortgage.

*Tax exempt financing* means borrowing evidenced by bonds, notes and other evidence of indebtedness the income of which is excluded from gross income for the purposes of Chapter 1 of the Internal Revenue Code of 1986 (26 U.S.C. ch. 1).

(b) *Rules of construction.* Unless the context shall otherwise indicate, the terms defined in paragraph (a) of this section include the plural as well as the singular, and the singular as well as the plural.

**§ 1786.152 Prepayments of RUS loans.**

An electric loan made under the RE Act shall not be sold or prepaid at a value that is less than the outstanding